

Subject 703 (revised 04/14/04)

Extensions of Time to File

If you will not be able to file your tax return by April 15, you may request an Arkansas extension to file by using form AR1055. You may request up to a 90 day extension using this form. Form AR1055 must be postmarked by midnight April 15 to be considered timely filed. This is only an extension of time to file your return - it does not give you more time to pay the taxes you owe. The law still sets the original due date of April 15 as the deadline for payment. Also, you will be charged interest on anything owed but not paid by April 15.

If you owe additional tax, you may avoid paying interest by estimating how much tax you will owe and attaching your payment to form AR1055. The AR1055 is not automatic and is valid for a maximum of 90 days. A copy of your AR1055 indicating whether it was approved or denied will be mailed to you. A copy of the approved Arkansas Extension must be attached to the front of your tax return when you file.

If your return is completed but you are unable to pay the tax due, you should not request an extension. File your return by April 15 and pay as much as you can. We will send you a notice for the balance of tax due. This bill may include additional charges for interest and/or penalty.

Since the penalty for not filing on time is much greater than the penalty for not paying on time, it is always better to file the tax return on time even if you cannot pay the tax liability.

Arkansas recognizes all federal extensions. If you have filed federal form 4868, Application for Automatic Extension of Time to File, Arkansas will recognize the extended due date of August 15. It is no longer necessary to attach federal form 4868 to your Arkansas return. When your return is complete and ready to file, simply check the box on the face of the Arkansas Return and mail the return prior to the final date stated on the Federal Extension. **Do not mail in an Incomplete AR1000 to claim the extension to file.**

If you have filed the Federal Form 4868, this is only an extension of time to file your return - it does not give you more time to pay the taxes you owe. The law still sets the date the return is due as the deadline for payment. Also, you will be charged interest on anything owed but not paid by April 15. You can avoid paying interest by estimating how much tax, if any, you will owe and paying the estimated tax due by April 15 using the AR1000ES, Payment with Extension Voucher #5. If your estimate of the amount of tax due was incorrect and you owe an additional amount when you file your return, you will be charged interest from April 15 on the unpaid balance. You will also be charged a penalty if the amount you owe is more than 10% of your actual tax liability.

If you need additional time beyond August 15, we also recognize a properly executed Federal Form 2688, Application for Additional Extension of Time to File. Interest on any unpaid balance is charged from April 15 until the date it is paid. You must attach an approved copy of the Federal Form 2688 to your Arkansas return.